A STUDY ON CHANGING CUSTOMER PERCEPTION TOWARDS ONLINE RETAIL FOOD CHAINS IN CHENNAI

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ABSTRACT

The study has been undertaken to understand the individual decision on the selection for their preference of food. This is a descriptive study which is also exploratory in nature tapping on to key attributes like price comparison, food quality etc. that contribute as factors to influence the decision of an individual to choose their food among the retail food chains available. A questionnaire was devised as the instrument of survey and responses has been collected from 300 candidates in Chennai. Thereafter the collected data was analyzed using IBM's Statistical Package for Social Sciences (SPSS). By this study we can identify the factors that could be used to the best as motivators to induce citizens to choose their preference of food among the available retail food chains. From this study it is found that factors like price comparison, food quality and frequency of online ordering plays a role.

KEYWORDS: Online ordering, Brick and Mortar, individual attitude, customer perception.

INTRODUCTION

Online shopping is gaining popularity in modern days as compared to brick and mortar shop outlets. Internet is influencing a lot in the customer's way of buying and selling of goods and services and this has come out globally. In modern days competitive market it helps a lot in cost cutting for different companies.

Brymer (1991) stated that the "hospitality industry is comprised of those businesses which practice the act of being hospitable; those businesses which are characterized by generosity and friendliness to guest". But in modern days the perception of going to a restaurant and getting a feel is slightly changing as online players have come into play.

In this paper, we have briefly studied all the factors or variables which are contributing or rather influencing the change in customer perception towards online retail food chains in Chennai area.
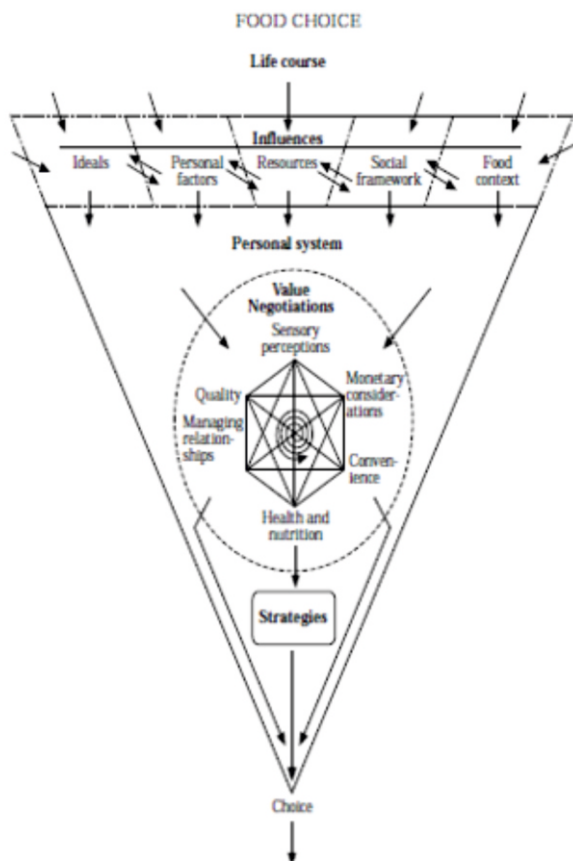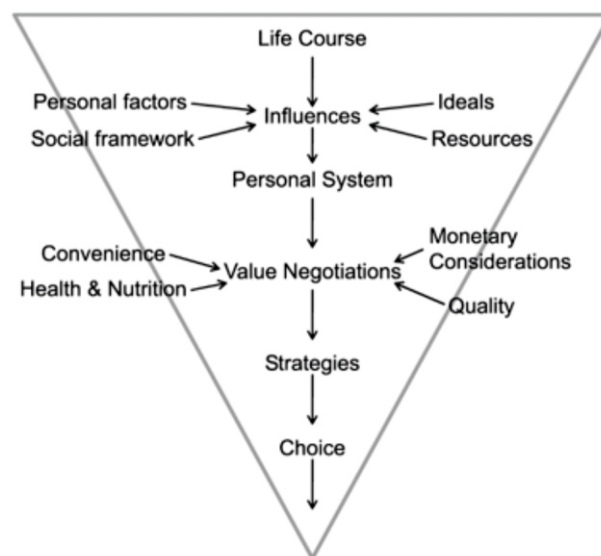
THE ORITICAL FRAMEWORK

FIGURE 1. A conceptual model of the components in the food choice process.

Source: Furst *et al.* (1996, p. 251)

Left figure is the model that appeared in the paper. Right figure is the same model with different formatting.

This model represents three main components of factors involved in food choice: life course, influences, and personal system.

The funnel shape indicates several attributes of the food choice process: one is that a single food choice event results from the mixing and separating of the diverse set of personal and environmental inputs. Life course gives rise to and shapes the influences that emerge in a food choice situation as well as the manner and extent to which the social and physical settings affect how people construct and execute personal systems of food choice. Model represent a process that may either be more deliberate or more automatic.

- **LIFE COURSE:** past influences of personal experiences and historical eras, current involvement in trends and transitions and anticipations of future events (e.g. upbringing, characteristics of an age or generation, past life roles affected respondents' relationship with food. People coordinated the demand of current life roles and activities [through their food choices].

- **INFLUENCES** *(ideals, personal factors, resources, social framework, and food context):* Influences mutually shape one another as well as reinforce, interact, and compete with one another.

Ideals: expectations, standards, hopes and beliefs that are points of reference and comparison by which people judged and evaluated food choices.

Personal factors: likes/dislikes, individual food styles, food centeredness (pleasure, health, safety, or symbolism) and emotions (emotional cues, moods, and feelings); as well as characteristics like gender, age, health status, sensory preferences (or taste sensitivities) and state of hunger; incorporates cravings, preferences for particular foods or food types, and aversions; physiological factors such as allergic response, hunger.

Resources: tangible such as money, equipment (e.g. freezer, pantry space), and space; intangible such as skills, knowledge, and time; perceived as available or unavailable depending on individual outlooks and situations.

Social framework: nature of interpersonal relationships, social roles and meaning; families and households provided one of the most important sets of interpersonal relationships influencing food choice entertaining and workplace was another interpersonal relationship.

Food context: environment for food choices that occur; physical surroundings, social climate of the choice setting, specific food supply factors in the environment such as types of food, food sources and availability of foods in the food system, including seasonal or market factors. Food context can offer expanded or constrained choice possibilities or establish a tone or ambiance that influences the food choice process.

PERSONAL SYSTEM:
MONETARY CONSIDERATIONS: price and perceived worth of food was another very salient value; price often conflicted with other values, esp taste and quality.

CONVENIENCE: time - often spoken of as a commodity to be spent or saved; weighing the value of convenience in terms of time in negotiation with other values; ease of preparation.

HEALTH and NUTRITION: factors relating to disease avoidance or control, bodily well-being - nutrition was spoken of in terms of value while health was spoke of in terms of avoidance.

QUALITY: usually mentioned in reference to comparing food products in meat and produce.

STRATEGIES: well-established habits or rules (heuristics).

LITERATURE REVIEW
Ostrom, Roundtree and Bitner(2000),Well-designed self-service ordering systems give customers substantial control over the space of their transaction and allowed them to limit the amount of personal interaction they experience, if desired. Collier and Sherrel, In most cases, an increased level of control has been shown to lead to higher customer satisfaction and greater intent to use or recommend the service. Hui and Bateson(1991),Bear in mind, though, that this increased control may not be attractive to all customers, particularly those who desire personal contact. In designing a self-service system, one must focus on the issue of. According to Hall,1977, Eating is a deeply engrained source of satisfaction and the restaurant customer wants an eating experience which combines food, service, decor, and indefinable extra. According to (Babcoke, 1948, p.390) Grunert stated that "people seek food, not nutrients. The common beliefs underlying all these classifications are that food has social and psychic meanings that meals serve as communicative symbolism and "that eating is an experience that may be invested with many intellectual and emotional values quite apart from metabolic utilization of the food". According to Goeldner, Ritchie and Mcintoch (1999),Local restaurants are made up of establishments that include fast-food units, coffee shops, specialty restaurants, family restaurants, cafeterias, and full-service restaurants with carefully orchestrated "atmosphere", According to Dean (1998); a staff writer at the Star Tribune-Minnesota, stated "the new comers, according to the National Restaurant Association, are Moroccan, Caribbean, Thai, Korean and Russian." He also mentioned that past decade, Italian was as ethnic as cuisine got. A timid few dabbled with vegetables and gourmet cooking was sweeping the country. In the forecast for this year: ethnic foods inspired by the Middle East, South America and Southeast Asia. According to Kotler (1974); Bitner (1992); Solomon, Suprenent, Czepiel and Gutman (1985), assurance is important to capture confidentiality, shopping security, complaint resolution, problem solving and warranties. According to Ekeldo and Sivakumar(2004),In an online shopping environment, consumers are not associated with a physical location while they are only communicating with a machine and not human being. According to Terblanche, 1999, Shopping mall also offers entertainment and provides other utilitarian needs to consumers such as stores, food courts and restaurant, children's amusement Centre, cinemas and relaxation spaces. According to Magee (2003), the growth in the number of online shoppers is greater than the growth in Internet users, indicating that more Internet users are becoming comfortable to shop online. According Milbourn.G.Jr and G.T.Haight (2001) There is simple evidence that the economic success of companies fluctuate with the quality of service that is offered. According to Underhill (1991), when service is poor, shoppers will find another store, bad service undergoes good merchandise, prices, and location almost everyone. According to Milbourn and Haight, (1998), Business review article found that high quality of service is dominant cause of repeat customer across industries. According to

Parmley(1988), A too rigid return policy could cause a larger loss that it prevents. According to Pikerton (1977), CEMA research found that nearly seven out of ten people say that a store return policy is very important in their decision to shop there. According to Return to Sender (2000), a rigid return policy or no return policy could prove detrimental to the store's existence. Returns is a process that is generally considered to be a essential element of customer service and satisfaction. According to Schultz (2001), Customer Service is one of the biggest differentiators in business, and it is even more important on the web. According to Bartholomew (2001), Customer Service is the most important factor ahead of both price and on time delivery in determining whether a potential buyers returns to a particular merchants on the web.

OBJECTIVES
- To determine the popularity of brick and motor restaurants.
- To determine the popularity of online retail food chains.
- To study the customer preferences.
- To determine the reasons for their preferences.

NEED FOR THE STUDY
Online shopping is gaining popularity in modern days as compared to brick and mortar shop outlets. Internet is influencing a lot in the customer's way of buying and selling of goods and services and this has come out globally. By this study we can understand all the factors or variables which are contributing or rather influencing the change in customer perception towards online retail food chains in Chennai area.

RESEARCH METHODOLOGY
A. Population:- The population selected for the study comprises of Indian citizens born and brought up in India.

B. Research Design:- This is an explanatory study wherein we try to explain which are the factors that are contributing to the individual's decision making on the preference of food.

C. Sample Design :- The particulars of the sample design are as follows:-
(I)   **Type of universe: - Finite.**
(II)   **Sampling type: - Convenience Sampling.**
(III) **Sampling Unit: - Chennai.**
(IV) **Source List: - Citizens in Chennai.**
(V)   **Size of sample: -300.**
(VI) **Parameter of interest: - Anyone, particular focus on any particular segment.**

D. Tool of data collection:- Google Forms has been used to collect data which has provided leverage to collect data without the surveyors having to move geographically from one part of the country to the other in order to collect data from various parts of the nation.

E. Sources of data:-
Primary data: Responses from the survey which was conducted for 300 candidates across the nation.

Secondary data: Research publications, standard journals, books, newspapers, and most importantly popular websites like entrepreneur.com, Wikipedia.com, etc.

F. Research Instrument:-
Questionnaire:- Data is collected using a structured questionnaire (find the appendices for questionnaire). The questionnaire was created using Google Forms and the data was collected in Google Sheets.

G. Analysis of data:- Various analyses were performed over the data collected, using IBM's SPSS.

ANALYSIS
1. Reliability Test:- For testing the reliability of the data collected Cronbach's Alpha test is performed

Reliability Statistics

Cronbach's Alpha	N of Items
.770	19

Interpretation:- Since the Cronbach's Alpha value is 0.770 which is more than the expected value of 0.650, the data collected is justified to be reliable and credible.

1. Chi Square test:- Chi Square test is performed on the categorical dependent variable "preference of food" and the categorical independent variable "age". Following are the results and interpretations of the same: -

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	3.498a	3	.321
Likelihood Ratio	3.471	3	.325
Linear-by-Linear Association	.852	1	.356
N of Valid Cases	299		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 12.17.

Interpretation:- Gender is insignificant with a significant level of 0.321 in Pearson's Chi Square. Therefore, alternate hypothesis (H1) is rejected and null hypothesis is accepted i.e. Age group does not affects the individual's decision in choosing preference of food.

3. Discriminant Analysis:- Discriminant Analysis is performed on rest of the factors that were taken under consideration against the dependent variable "preference of food". The values for the independent variables in this were obtained using Likert scale. Hence the independent variable data is in rating scale measurement. Following are the results and interpretations

Tests of Equality of Group Means

	Wilks' Lambda	F	df1	df2	Sig.
3 Personal Income :	.991	1.357	1	147	.246
Preference of food	.997	.482	1	147	.489
Frequency of Brick and Mortar	.991	1.402	1	147	.238
Frequency of ordering online	.978	3.256	1	147	.073
Price Comparison	.955	6.862	1	147	.010
More food Choices	.999	.077	1	147	.782
Food Quality? [Online Food]	1.000	.033	1	147	.857
Food Quality? [Brick and Mortar]	.962	5.732	1	147	.018
Health Quotient [Brick and Mortar]	.996	.593	1	147	.443
Time Saving	.989	1.578	1	147	.211
Speed of Service [Online Food]	.986	2.140	1	147	.146
Speed of Service [Brick and Mortar]	.985	2.224	1	147	.138
Customer Grievences Addressal [Online Food]	.994	.924	1	147	.338
Customer Grievances Addressal [Brick and Mortar]	.985	2.209	1	147	.139
Family Factor	1.000	.036	1	147	.851
Discounts and Offers	.990	1.440	1	147	.232

Wilks' Lambda

Test of Function(s)	Wilks' Lambda	Chi-square	df	Sig.
1	.787	33.240	16	.007

Interpretation:- The Wilks' Lambda is significant for the following factors only as the significance value should be less than 0.05. The factors are arranged in their importance order (starting from the most important i.e. least Wilks' Lambda)
- Frequency of ordering online.
- Price Comparison
- Food Quality of Brick and Mortar

Following factors are considered insignificant
- Age
- Gender
- Occupation
- Personal Income
- Frequency of visiting Brick and Mortar
- More food choices
- Food quality (Online food).
- Food quality (Brick and Mortar).
- Health quotient.
- Time Saving
- Speed of Service (Online ordering)
- Speed of Service (Brick and Mortar)
- Customer grievances (Online ordering)
- Customer grievances (Brick and Mortar)
- Family Factor
- Discounts and offers
-
Therefore the null hypothesis H0 is accepted, rejecting the below mentioned hypotheses.

FINDINGS & CONCLUSION
- Any individual's decision for choosing preference of food that whether it is online or brick and mortar depends a lot on the frequency of ordering online.

- Price comparison also contributes to the choice in the preference of food.

- Finally. Food quality also contributes to the choice in the preference of food.

- The factors does not have any effect as they don't affect the psychological aspect while choosing the preference of food.

Therefore by this study we conclude that, nowadays the major question about the consumer perception depends completely on the price comparison, frequency of online ordering and food quality of brick and mortar.

Price Comparison plays a vital role as this is a common human psychology to compare anything before we purchase anything and the frequency and quality of also contributes to the changes in perception.

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